Sectt. II-27—40,000—14-10-36.

Revt **(1939) Department.**

Ms SERIES.

G.O. No. ನೆ ೨೬ ಇಡಿಪಿ

DATED 22-2 1939

[Despatch Abstract.]

COOPERATIVE SOCIETIES - Non-credit societies - Udipi - Industrial and Agricultural Society Ltd. - Subsidy - Sanctioned

C.F. 33.

Cooperative **DEPARTMENT.**

Received ..... 19 *Registered* 25347/19

Subject.

Udipi Industrial and Agricultural Society- Working and State aid-

ENCLOSURES.
No. .....
.....
Spare copies .....

No. C. 5173/38

Station Chepauk, Madras., *Dated the* 17th September 1938 19

From (Name) T. Austin, Esq., I.C.S.,

(Designation) Registrar of Cooperative Societies

To The Secretary to the Government of Madras,

Development Department.

Sir,

(S) Ref:- G.O. No. Mis 376 (Development), dated 11-2-38.

****

G.O. 376 Dev (S) 11.2.38

The question of rendering financial aid to this society has been under consideration for some time past. I have visited the society recently, and have found that there is a case for giving financial assistance to it.

2) During 1937-38 the society did the following items of work:-

1. It crushed 24,897 tins or 5,536 maunds of jaggery and earned a commission of Rs. 296-8/

2. It extracted oil worth Rs. 3,760 from cocoanuts and earned a commission of Rs. 393-6/

P.T.O.

3. It hulled 10,551 muras of paddy and made a commis ion of Rs. 2,111-5/.

Thus it made a total commis ion of Rs. 4,801-3/ by its service to members. The work done by the society under each of the items from the beginning of the society is given below:-

2296-8-0
393-6-0
2111-5-0
4801-3-0

Year.	Paddy hulled in muras.	Income. Rs.	Oil extracted in maunds.	Income. Rs	Sugarcane in tins.	Income. Rs.
1.	2	3	4	5	6	7
1925-26						
1926-27						
1927-28					16.049	1,468
1928-29			80	59	21,075	2,800
1929-30			1200	801	19,224	2,749
1930-31					27,822	3,054
1931-32					9,475	1,035
1932-33					12,162	1,448
1933-34	341	59	92	17	17,596	1,501
1934-35	639	110	393	205	27,375	2,677
1935-36	4861	801	232	90	30,256	2,752
1936-37	8001	1298	300	118	34,604	3,003
1937-38	10571	2111	935	393	24,897	2,296
	24,443	4,379	3,232	1,683	2,40,535	24,783

2111
393
2504
2296
4800

The above table shows the extent of service that the society has been able to do for the ryots during the last 11 (12) years. In 1933-34 it took up paddy hulling as a new activity and resumed the extraction of oil which it had given up after 1929-30.

3. The extent of benefit conferred by the society on the ryots will be seen from the following data.

(i) The local rate for crushing sugarcane is Rs. 3-12/ to Rs.4/ per unit of 36 tins of jaggery. The society has charged only Rs.3/ to Rs. 3-8/ all these years. Thus for every unit crushed in the society the ryot has saved Re 0-8-0 on the average and the total saving to the ryots on account of the service is about Rs.3,500. There are other advantages also. The quantity of juice produced in the factory is more than what can be produced in the crude country mills and the jaggery produced is also of a superior variety. The ryot is able to get one anna more per maund for this superior jaggery

A

and the additional income thereby is about Rs.4,000. At a very modest estimate, therefore, the total profit to the ryots has been Rs. 7,500/ under this item.

(ii) The society has charged 2 to 2½ annas per mura of rice for hulling. This is almost the local rate for handpounded rice. But when the rice hulled in the factory is sold it fetches at least 2 annas more per mura. Thus on 24,443 muras the gain to the ryot has been Rs. 3,000/- on the whole.

(iii) The local rate for extraction of oil is 12 annas to Re. 1 per tin whereas the society has been charging only 6 to 8 annas. The profit to the ryot on 3,232 tins is roughly Rs. 1,500/. Thus the total profit to the ryot is:

1.	Sugarcane crushing	Rs. 7,500
2.	Paddy hulling	Rs. 3,000
3.	Oil extraction	Rs. 1,500
		Rs. 12,000

These facts go to prove that the society has more than justified its existence.

4) The total business income of the society, its running expenses, establishment and contingent charges, depreciation, gross profit, and net loss, etc., are given below:-

Year.	Income. Rs	Running expenses.	Establishment and contingent charges.	Depreciation.	Gross profit.	Net profit or loss.
1.	2.	3.	4.	5.	6	7
25-26	121	1673	156	-	773	+ 714
26-27	116	-	48	10	601	+ 60
27-28	1468	1152	335	30	811	+ 223
28-29	2859	2268	301	340	426	- 880
29-30	3550	1824	598	1008	1117	-1212
30-31	3054	2207	480	980	1203	-1846
31-32	1035	943	271	893	58	-3583
32-33	1448	1135	429	818	336	-4814
33-34	1677	1097	591	833	722	-6302
34-35	2992	1852	330	982	1100	-7008
35-36	3643	2276	231	966	1276	-7453
36-37	4419	2955	597	1158	1407	-8091
37-38	4800	3048	896	850	1750	-8019

It is observed that the income from the business is more than the running expenses and that there has been a gross profit every year without exception. There has, however, been a net loss every year; This is on account of

and except during the year just ended the net loss has been on the increase year after year. This is due to the payment of interest on borrowed capital and depreciation allowed on the machinery.. If the society has to improve, the cost of administration should be lessened and the pressure of outside debt reduced. It is expected that the society will normally be making a business income of Rs. 4,300/ per year from hulling, crushing and extraction. The running expenses may come to Rs. 3,100. The society has to set apart Rs. 400 towards depreciation and pay Rs. 1,200 to the Central Bank towards its dues. There will therefore be nothing left to meet the establishment and contingent charges. If the society should be given time to repay its dues to the Central Bank and be revived, arrangements should be made to secure for it a subsidy of Rs. 50 / per mensem. The Central Bank is not in a position to give the subsidy and the Deputy Registrar recommends the grant of a subsidy of Rs. 50 per mensem. to meet the cost of the bank Inspector who is in charge of the society, for a period of five years. Unless this subsidy is made available, the Central Bank will not agree to withdraw the arbitration reference filed against the society for the recovery of its loans. The Deputy Registrar recommends that this may be treated as a sale society and a subsidy granted to it as it can do sale business also under its bylaws. The terms of G.C.NO. 389 Development, dated 2-4-38 permit sanction of subsidies only to smaller sale societies which earn a gross profit of less than Rs. 1000/ per annum. But the gross profit of this society for the past four years exceeds Rs. 1000/, and I doubt if this can be classified as a 'smaller society'. It is however necessary to make an exception and give

give a subsidy to this society as a special xxx case.

5) I inspected this society on 31--8--38 and also discussed its affairs with the directors of the Central Bank in Mangalore. There is unanimity of opinion that this society should not be wound up. This, however, will happen if Government's help is not forthcoming. The members of this society have some self-sacrifice by agreeing to write off half the share capital. The total share cpaital at present is Rs. 12,010 and by the above act the net loss will be reduced by Rs. 6,005. The net loss on 30--6--38 will then be only Rs. 2,014. If Government grant a subsidy the society can be pulled up. As reported in the preceding paragraphs the rypts have been financially benefited by this society and during my camp I received a petition from them requesting me to help the society in all possible ways. The Central Bank, naturally, is willing to extend its loan only if arrangements are made for proper control. It has resolved that it will consider the question of extension of the period of the loan only if a subsidy of Rs. 50/ per mensem is given to meet the cost of the bank Inspector who is in charge of the society. I am satisfied that the directors of the society are keen and businesslike in running the society. I am also advising them to pay the Central Bank all the moneys available until each year's instalment has been met and then only spend money on repairs and improvements. Under these circumstances, I request that Government may be pleased to grant, as a special case, a monthly subsidy of Rs. 50/ for a period of two years.

I have the honour to be,
Sir,
Your most obedient servant,

For Registrar.

M.P.20/9

31.9.38

Dev. Dept.

O.M.No.25347-V/38-1, D/17-10-1938.

Ref:-Registrar's letter No.C.5173/38 dated 17.9.1938 - Udipi Industrial and Agricultural Society - Working and State Aid.

The Registrar states that the society will normally be making a business income of Rs.4,300 per year; that it has to set apart Rs.3,100 towards its running expenses, Rs.400/- towards depreciation and a sum of Rs.1,200 towards its dues to the Central Bank. The Registrar recommends that in these circumstances a subsidy of Rs.50/- per mensem may be given to the society to enable it to continue to work.

2. The Government note that the society has been working at a loss for the last few years. Even according to the figures of normal income and expenditure assumed by the Registrar, there will be an income of Rs.4,300/- against an expenditure of Rs.4,700/- exclusive of establishment and contingent charges. These charges amounted to Rs.896/- in

in 1937-38 while the depreciation charges were Rs.850/- against a sum of Rs.400/- assumed by the Registrar. If these are also taken into account, the estimated expenditure will be Rs.6,046 and the net loss will run up to Rs.1,746. A subsidy of Rs.50/- p.m. will reduce this loss only by Rs.600. Government also note that the rates charged by the society for crushing sugarcane, hulling rice and extracting oil are considerably lower than the market rates prevailing in its area of operations. It should be possible for the Society to eliminate the loss by adopting rates more in consonance with the market rates and by effecting economies in other directions.

3. The Registrar is requested to offer his remarks on the points raised above and to submit copies of the Balance Sheet and Profit and loss statement of the Society for the years 1936-37 and 1937-38.

To the Registrar of Co-operative Societies, M a d r a s.

C.F. 80.

CO-OPERATIVE **DEPARTMENT.**

Received 18 NOV 1938 19 *Registered* -31130 19

Subject.

Udipi Agricultural and Industrial Society - State aid.

ENCLOSURES.
No. ✓
Spare copies

No. C. 5173/38.

Station Chepauk, Madras, *Dated the* 16th November 19 38.

From (Name) Sri Rao Bahadur M. Giriappa, B. A.,
(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,
Development Department.

Sir,

pages 6-7 ante

Ref:- Government Memo. No. 25347-V/38-1 dated 17-10-38.

pp 1-5 ante

In my letter C. 5173/38 dated 17-9-38, I reported that a sum of Rs 1200 should be set apart annually towards payment of Principal and interest due to Central Bank. The Deputy Registrar, Mangalore has since reported that the Bank has suspended collection of interest and that it will be quite content if the Principal dues are repaid by the society. The amount due to the Central Bank under Principal is Rs 7898/-. As the bank is willing to allow ten years more for the repayment of the loan, it is sufficient

K'm page 4 ante

10/

-9-

to set apart Rs 800/- per year under this head.

2. The sum of Rs 896/- shown under Establishment and Contingent charges was based on unaudited figures. The final audit of the accounts of the society is now over and it is found that the society wrongly included a sum of Rs 256 spent on purchase of machinery under Establishment and contingencies. The correct figure under this head is Rs 640 only.

3. As regards depreciation, as a result of recent valuation by the Industrial Department the value of the machinery has been brought down from Rs 6400/- to Rs 2550/- and the Industrial Supervisor has observed that it is sufficient to allow depreciation at 7½% on machinery. The buildings valued at Rs 5879/- are quite strong and likely to last for 40 years with the usual annual repairs. It is enough to allow depreciation at 2½% on the buildings. It is therefore sufficient to set apart Rs 400 per year towards depreciation.

4. Thus as against an anticipated income of Rs 4300/- the charges are:-

	Rs.
Running expenses	3100
Depreciation	400
Central Bank loan	800
Establishment and Contingencies	640
	4940

The deficit is about Rs 640 and with the Government subsidy of Rs 50 per mensem applied for, this can be wiped off.

5. As regards charging higher rate for crushing cane, hulling rice and extracting oil, the policy of the society has all along been to canvass custom by offering certain special facilities to its members. The competition in this area is fierce and the members naturally look to a lower rate. If in due course the society can count on the unswerving loyalty of members it will raise the rate. The society has been asked to consider the question.

6. To effect economies it may be laid down that the

society's budget should be approved by the Registrar so long as the society gets a subsidy from Government. Steps will also be taken to ensure proper management of funds. In these circumstances I request that Government may be pleased to sanction a monthly subsidy of Rs 50/- as recommended by me in my letter dated 17-9-38.

7. Copies of ~~Bylaws~~ Balance Sheet and profit and loss account for the years 36-37 and 37-38 are submitted herewith.

I have the honour to be,

Sir,

Your most obedient servant,

for Registrar.

kjb/17-x1

THE UDIPI AGRICULTURAL AND INDUSTRIAL CO-OPERATIVE SOCIETY, LTD. NO. L.280

Profit and Loss Account for the year ending 30-6-1938

--:oOo:--

LOSSES	Rs. As.	Rs. As.	PROFITS	Rs. As.
Interest paid	45 7		Gross Profit	1,492 7
Pending payment	1691 1		Bad debts recovered	2 0
Less pending last year ...	1736 8 1122 2		Miscellaneous income realised and pending	119 2
		614 6	By writing off 50% of Share capital	6,005 0
Establishment and contingencies		640 9		7,618 9
Depreciation		186 1	Net Loss	5,992 13
Loss due to depreciation in value of Plant and Machinery as valued by the Industrial Department in June 1938		4,078 9		
Last year's loss		8,091 13		
Total		13,611 6	Total	13,611 6

/True Copy/

K. Lakshmanarao

PRSR/29-10.

DEPUTY REGISTRAR. 29/10

THE UDIPI AGRICULTURAL AND INDUSTRIAL CO-OPERATIVE SOCIETY, LTD. NO. B. 280

Balance Sheet as on 30th June 1938

--:0:--

LIABILITIES

	Rs.	As.
Provision for hire	202	5
Do. Doubtful assets	50	5
Non-members' Fixed Deposit (Long Term)	15	0
Central Bank Loan (Loan Term)	7,898	0
Share Capital	6,005	0
Interest due	1,691	1
Working Expenses Due	1	1
Adjusting heads Dividend	1,112	10
	26-4	
Divided Equalisation Fund	53	10
Building Fund (Bonus)	45	9
Undisbursed profits	111	8
Reserve Fund Separately invested	444	9
	17,656	14

ASSETS

	Rs.	As
Cash on hand	0	1
Cash in Bank	0	6
Cash in Catholic Bank	1	3
Hire of crushing charges pending collection	306	9
Reserve Fund invested in South Canara Central Co-operative Bank	484	4
Shares in South Canara Central Co-op. Bank	90	0
Furniture & Equipment	331	0
Buildings	5,879	0
Plant & Machinery	2,550	0
Site Value	892	3
Value of stock	38	0
Adjusting heads	120	10
Audit objection	880	14
Do.	29	15
Do.	60	0
	11,664	1
Net difference between Assets and liabilities	5,992	13
	17.656	14

/True Copy/

DEPUTY REGISTRAR. 29/10

PRSR/29-10.

29/10/38

THE UDIPI AGRICULTURAL AND INDUSTRIAL CO-OPERATIVE SOCIETY LTD. NO.L 280

Balance Sheet on 30/6/1937

Liabilities	Rs.	As
1. Loans and deposits		
Provision for hire	204	5
Provision for other doubtful assets	50	5
Price of almyrah pending payment	25	0
Fixed deposits Long term	15	0
Central Bank ~~Deposit~~ Loans (Short term)	500	0
Do. Long term	7,986	15
2. Share Capital	12,010	0
3. Interest due	1,122	2
4. Establishment and contingent charges due	12	4
Working expenses	3	12
5. Other items: As per appendix No.3 (adjusting heads)	1,133	15
6. Undisbursed profits of previous years		
Dividend	26	4
Dividend equalization fund	53	10
Building fund (Bonus)	45	9
Undisbursed profits	111	8
7. Reserve fund Separately invested	444	9
8. Total, liabilities	23,745	2
9. Net difference between assets and liabilties	8,091	13

Assets	Rs	as
Cash		
In Canara Banking Corporation	0	6
On hand	0	3
Hire and crushing charges pending collection	325	2
Reserve Fund		
In the Co-operative Central Bank	464	9
Shares taken in the Co-operative Central Bank	90	0
Other items:		
Value of furniture and equipments less depreciation	360	0
Value of society's buildings on advances outstanding	6,000	0
Plant and machinery	6,400	0
Site A/c	892	3
Value of stock on hand	31	0
&. Adjusting heads(specify)		
Vide Appendix No.3	119	1
Audit objection 1933/34	880	14
1934/35	29	15
1935/36	60	0
Total, Assets	15,653	5

/True Copy/

K. Ramachandra Rao 29/10

DEPUTY REGISTRAR.

PRSR/26-10.

C.F. 80.

Co-operative **DEPARTMENT.**

Received ..... 19 *Registered* 34523 19

Subject.

Udipi Agricultural and Industrial Society - State Aid.

Enclosures.
No.
Spare copies

No. C.5173/38

Station Madras, *Dated the* 19 - 12 - 1938.

From (Name) Sri Rao Bahadur M.Giriappa, B.A.,

(Designation) Registrar of Co-operative Societies.

To The Secretary to the Government of Madras,

Development Department.

Madras.

Sir,

page 2 n.f. Ref: Telephone Message from Under Secretary dated 5- 12 - 38.

Jp 8-10 am 16 In my letter C.5173/38 dated 16-11-38 I have explained that the normal business income of the society in a year is expected to be Rs.4300/- as against an estimated expenditure of Rs.4940/-. I recommend therefore the grant of a subsidy of Rs.50/- per mensem to make up the deficit of Rs.640/-. This deficit has no special reference to the accounts of the year 1937-38. To place the affairs of the society on a sound footing it is necessary to give a subsidy of Rs.50/- per mensem

to meet the cost of the Bank Inspector as explained in my letter dated 17-9-38.

For Registrar.

np.20/12.

Dev. Deptt

C.No 25342/38. Kolhi Agricultural and Industrial Society - Subsidy.

Ppr 1-5 C.F. From the Regr of Cs. No C 5173/38 d. 12.9.38.

Ppr 6-7 C.F. O.M. of the Registrar of Cs. No 25342/38 d 12.10.38

Ppr 8-10 C.F. From the Regr of Cs. No C.5173/38 d 16.11.38

To A.S.

Please see the O.M. of the Registrar of Cs. Amalner Society at pages 6-7 C.F. and the demand of the Registrar thereon at pages 8-10 C.F.

Pr 11 C.F. It will be seen from the Profit and Loss Account of the society for the year

Rs Difference 100. Rs Loan repayment 800 Rs Subsidy 600 — 1400

Rs 1841 Rs 443

ending 30.6.1938 that it has earned a Profit of Rs 1472-7-0. Against it has the liability of Rs. 1841. and so the total deficit will be Rs. 348. The Registrar recommends that a subsidy of Rs 30 per mensem may be sanctioned. Submitted that it is sufficient if a subsidy of Rs 30 p.m. is sanctioned. The Regr might attend about this. Please see if the Hon'ble Finance may be consulted.

Rs 30 x 12 = Rs 360

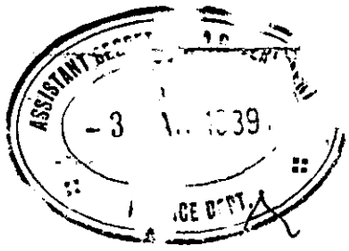
Rs 30

3/12/38

Rs 60
2/12

3/12

2 18 25



GOVERNMENT OF MADRAS.

Development Department.

POST COPY OF TELEPHONIC MESSAGE.

From the Under Secretary to the Government of Madras.
To the Registrar of Co-operative Societies.
Dated Fort St.George, the 5th December 1938.

Mb 8-10 C.F. Ref.Your letter No.C.5173/38, dated 16-11-38 - Udipi Agricultural and Industrial Society - Subsidy.

It is observed from the Profit and Loss Account of the Society for the year ending 30th June 1938 that it earned a gross profit of - Rs.1,492-7-0. It is presumed that against these profits a sum of - Rs.1,840/- has to be debited for establishment charges etc. If so the total deficit will be only Rs.348/-. Please say whether it is not sufficient to sanction a subsidy to cover this.

/True Copy/

M.A.D:-5-12-38.

Superintendent.

M 15-16 C.F. [From the Regr. of C.S. No. C.5173/38. dated 19.12.38]

To U.S

Please see the T.M. above and the Registrar's letter at pages 15-16 C.F.

In the circumstances now reported this dept may support the Registrar's proposal to sanction a subsidy of Rs 50 p.m. for one year in the first instance ~~period of two years~~ to the Udipi Agricultural and Industrial Society as a special case. The remarks of Finance dept may be invited.

278 F

M'm p.s. C.F

Dev. G.O. No. 25347 D/38-2

23.12.38.

23/12/38.

23/12

The proposal is to sanction a subsidy of Rs 50/- p.m. for one year in the first instance to the Udipi Agricultural and Industrial Society to enable it to continue working to the benefit of the poor ryots in the area. It is reported that the Central Bank has filed an arbitration reference against the society for the recovery of its loans, that the society is not in a position to repay its dues to the Bank and that, unless some financial aid is given to the society in the form of subsidy, the society will not be able to continue its business and that the poor ryots will be deprived of the benefit conferred by the society during the last 11 years. The Registrar states that the society will normally be making a business income of Rs 4,300 and that against this it will have to meet its charge to the extent of Rs 4,940 as shown in the margin* and that the ~~ex~~ deficit can be wiped off only if the Govt pay a subsidy of Rs 50 p.m. applied for towards the pay of the Bank Inspector who is in charge of the society.

2. The Society has been doing business since 1925-26 A statement showing the total income of the Society, its running expenses, establishment and contingent charges, depreciation etc., is given on p.3 C.F. It is observed from the statement that the income from the business is more than the running expenses and that there has been a gross profit every year without exception. During the years ending with June 1937 and June 1938 the Society has earned a gross profit of Rs 1,408 and Rs 1,492 respectively i.e., after meeting the running expenses. It is reported that the Central Bank has since suspended

25/

30 4/

collection of interest and that it will be quite content if the principal dues are repaid by the Society in a period of 10 years more. The amount due to the Central Bank under principal is reported to be Rs 7,898. The Society will have to pay Rs 800 per annum for 10 years towards the principal. If the gross profit that will be earned by the Society is taken as Rs 1,450 on the basis of the average profits earned during 1937 and 1938, the Society can meet the establishment charges which is estimated at Rs 640 and repay as well the loan taken from the Central Bank as the amount proposed to be set apart towards depreciation charges viz., Rs 400 is only nominal. The Society can also find an additional amount required by increasing the rates charged for hulling rice, ~~for~~ extracting oil and ~~for~~ crushing sugarcane as the present rates charged by the Society are reported to be lower than the market rates prevailing in the area.

B imp & CR

1408
1492
2900
1450

This profit has already been raised - For the Registrar's reply, please see item 5, page 9 C.P. dy. 20.1.39

3. It may be noted further that subsidies can be given only to smaller sale societies which earn a net profit of less than Rs 1,000/- per annum. The Society in question is not a sale society and the gross profit of the society for the past 4 years exceeds Rs 1,000. In the circumstances it does not seem necessary to sanction any subsidy to the Society.

Exp. C. 889 Rw
7438

The Registrar proposes subsidy only as a special case - See Mr 4-5 C.P. dy 20.1.39

4. If, however, it is considered that an exception may be made in the present case as recommended by the Registrar and a subsidy may be given for a period of one year in the first instance, the proposal will have to be treated as a Part II scheme for 1940-41 as the proposal involves a new item of expenditure not contemplated in the budget. If Development consider that subsidy should be given during the current year or during 1939-40 the -

(2)

Cf p 27 g G.O. 1134 Rev 18.9.33

Registrar of Co-operative Societies will have to indicate the source from which the expenditure can be met and orders in circulation will have to be obtained. As similar grants have been given in the past, the expenditure need not be treated as on a 'new service' requiring the vote of the Legislature.

» 20.1.39

DR 16.1.39.

Thro' B.G. 17/1/39

Addl Hd 15-16 C.P

A.D.P. 18.1.39

The Registrar of Co-operative Societies has visited the society recently & considers that there is a case for giving financial assistance to it. He recommends as a special case a monthly subsidy of Rs 50 p.m. for a period of 2 years.

The figures on page 3 C.F. show that after a struggling career, the Society is now pulling up & doing good business. If it continues to progress at this rate, it will soon be able to manage without any help from the Govt.

In the circumstances, as a special case, this Dept may agree to the subsidy of Rs 50 p.m. proposed, subject to the condition referred to in para 6 on pages 9-10 C.F. If necessary, the subsidy may be restricted to a period of one year for the present. Before it is sanctioned, the Registrar may be asked to state if he can meet the charge from the budget provision under 42-C — Co-operative credit — Grants-in-aid.

B

A

See page 34 C.F. Chart for 1938-39

20.1.39

P.T.O.

30/

~~28~~ 26

If the Society charged rates more in accordance with market rates the ryots would still benefit by getting better prices for their products (vide C.S. pp. 2-3) the Society would be able to stand on its own without a subsidy. If the have so little common sense & initiative to realise this the Govt. is hardly worth preserving at public expense. The subsidy may therefore be restricted to 1 year & the Registrar instructed to see that it is induced in its own interests to charge adequate rates, if necessary up to the limit of existing local rates, to ensure its continued existence on a state of solvency.] K] A

C.J.
24/1

24/1

Dev. Fin. No 2785-Fp
25.1.39

Dev. Deptt

To U.S.

Please see the Finance dept. note at pages 3. 6 above

With reference to 'A' on page 5 ante a draft T.M. is submitted for approval.

Dlc 2/1/39. - 27.1

ASSISTANT SECRETARY TO GOVT
26 JAN 1939
DEVELOPMENT DEPT

2577

43
2911

1 / 23 / 31

Dev. Deptt.

T. M. No. 25347 D/38.

To the Regr. C.S.

Subj:- Kodiyi Agricultural and Industrial Society - Subsidy.

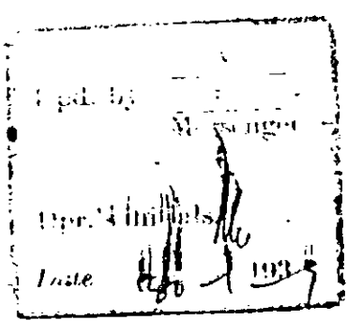
Ref. your letter No. C 5173/38 dated 19.12.1938

Please say whether you can meet the expenditure from the Budget provision under "42-C- Co-operation - Grant in aid".

27/1/39. 27.1.

29/1

Hp 15-18 C.P.



32/ 24 A

C.F. 304—4,081 Bks.—1-12-37.

OFFICE OF THE Fin Sec't.

Dated 2nd Feb. 1939.

_____ Hours _____ Minutes.

TELEPHONIC MESSAGE

From H. P. C. S.

To U. S. Fin.

Your p.c. 7 I H. d. 28/1/39 re. Subsidy to the Kadiri Agrl. & Industrial Society

The expenditure can be met from the budget provision under "42 C Irrigation - Tradition" "

Yes -
27/2.

To A.S.

p 8 ante The Registrar reports that he can meet the charges from the budget provision under 42. Co-operation. Grant-in-aid.

A draft order is submitted for approval.

~~[illegible]~~

10/2/38. 10.2

H.M.(3d2)

(in) 2/2 pl. 0 13/2

H.M.(12L) 2/2

13 2 38

Issue 21/2

C.F. 16.

DRAFT FOR APPROVAL.

Dev. Dept.

	Date.	Initials.
When received for fair copying ..		
When copied ..		
When examined..		
When signed ..		
When despatched.		

SUBJECT:— Co-operative Societies - Non-credit Societies - Adipi Industrial and Agricultural Society Ltd. - Subsidy - Sanctioned.

READ AGAIN _____, dated _____ 19____.

" " _____ " _____ 19____.

READ *ALSO*:—

C. No. 25347/38. From the Regr. of C.S. , No. C.5173/38 dated 17.9.1938. ff 1-5 C.F.

" _____ O.M. of the — do — " 25347/38-1 " 17.10.1938. ff 6-7 C.F

From this — do — C.5173/38 16.11.'38. — ff 8 C.F

" _____ " _____ — do — " — do — " 19.12.1938. — ff 15-16 C.F

Order / ~~Resolution~~ Ms. / ~~Rout.~~ No. 436, dated 22.2.1939.

'K' on page 6 N.F

para 6 on page 10 C.F and 'B' on page 5 N.F

— do —.

The Government are pleased to sanction a monthly subsidy of Rs 50/- to the Adipi Industrial and Agricultural Society Ltd. South Kanara Dist. The subsidy is payable only for a period of one year and is subject to the following conditions:-

(1) The budget of the Society should be approved by the Registrar of Co-operative Societies, and

(2) ~~Such~~ steps should be taken to ensure proper management of its funds.

2. Government observe

that the rates charged by the Society for crushing sugarcane, hulling rice and extracting oil are considerably lower than the market rate prevailing in this country area of operations. The Registrar of Co-operative Societies is requested to endeavour the Society in its own interest to charge adequate rates if necessary up to the limit of existing local rates so as to ensure its continued existence on a basis of solvency.

3. The expenditure should be met from the Budget provision under "42 C. Co-operation. Grant-in-aid. ~~Subsidy to the Provincial Co-operative Union~~".

para 3 on pages 2-3 C.F.

R on page 6 N. 1.

R on pages 5 N.F + page 8 N.F.

Dy Regr/55. 10.2.

To the Regr. of C.S. 24.2

" " A.G. thro' the Secretariat.

" " Finance dept.

Copy to the Personal clerk H.M. (Mrs.)

Copy for records

5151 37

To,

The Hon'ble Minister for Industries & Labour,

MADRAS.

Memorandum submitted by the Directors of the Udipi Agricultural & Industrial Co-operative Society Ltd., No.L280 on 15th February 1939.

To meet the needs of the poor sugarcane growers and other ryots of Kallianpur and its suburbs, who were suffering under the handicap of the exorbitant rates of crushing canes and hulling paddy of the local mill owners, the Co-operative department organised and brought into existance the Udipi Agricultural and Industrial Co-operative Society and registered the same on 10-11-1925.

The work done for the past five years is exhibited below:

Year	No. of tins of juice extracted.	Hire recd.	Rice hulled in muras.	Hire rcd.	Oil extracted in maunds.	Hire recd.
33-34.	17,596.	1501/-	341.	59.	93.	17/-
34-35.	27,575.	2677/-	689.	110.	393.	206/-
35-36.	30,256.	2752/-	4861.	802.	232.	90/-
36-37.	34,604.	3003/-	8000.	1389.	300.	119/-
37-38.	24,897.	2296/-	10551.	2111.	935.	393/-.

The hire charged for crushing sugarcane is from Rs.3/- to Rs.3-8-0 per unit of 36 tins of jaggary, and that for hulling paddy is from Annas 2 to 2½ annas per mura, while the charges for extracting oil is from Annas 6 to 8 annas per tin. A concise statement of the work done by the Society since its inception up to date and also another showing other particulars are herewith enclosed.

Since the year 1928 the Society has been working at a net loss due to its inability to meet establishment, contingent, and depreciation charges. The net loss incurred for the year 1937-38 was Rs.8019/-. The Society owes Rs.7898/- under principal and Rs.1691-1-0 under interest to the Central Bank. The total business profit of the Society per annum is roughly Rs.4300/-, while the running expenses are as high as Rs.3944/-. As the Society has to set apart at least Rs.400/- for depreciation every year and Rs.800/- to the Central Bank towards its loan, it is left with a balance of Rs.3100/- only which is insufficient to meet the running expenses. In this connection we beg to bring to the notice of the Government that our members have already consented to write off 50% of their share capital.

The Central Bank has now given free the services of an experienced Bank Inspector to manage the Society. But it is not prepared to give this concession indefinitely or to postpone the collection of its dues. We therefore request that Government may be pleased to come to the rescue of the Society by granting it a subsidy and a loan of an amount sufficient to wipe off its present liabilities payable in 20 annual instalments at a lower rate of interest.

We hope that Government will sympathise with the members in their present lot, give a helping hand to the Society and confer an inestimable boon on the ryots of the Kallianpur area.

We beg to remain,

Sir,

Yours most obedient memorialists

R. Ramaswamy

Subramanya Rao

N. Shivaprasad

A. P. Venkatesa

R. V. Narasimha

Kallianpur
Dated.12.2.1939.

40/

3

Dev. Dept.

T. & S.

Possibility of Rs 5 p.m. has since been sanctioned to the Adigi Industrial and Agricultural Society Ltd. in S.O. No 436 (M2) Dev dated 22. 2. 35.
Mr Regr. has not recommended any loan.
The papers may be treated as withdrawn

Withdrawn S.O. at (2)

25/2/35

Statements showing other particulars.

1.	Date of registration	.....	10-11-1925.
2.	Date of starting	.....	25-11-1925.
3.	Number of members	a) Societies.....	47.
		b) Indivisuals.....	406.
4.	Paid up Share Capital	.....	Rs.12,010. It has been resolved to write off half of this.
5.	Arrears of Share Capital	.....	Rs.1528/-.
6.	Borrowings	a) Deposits	Rs. 15/-
		Central Bank loan	Rs.7898/- Principal Rs.1691/- Interest
7.	Reserve Fund	a) Invested	Rs. 464/9/-
		b) Uninvested	Rs. Nil.
8.	Shares in the Central Bank	.....	Rs. 90/-
9.	Hire due	a) good	Rs. 268/9/-
		b) Doubtful.	Rs.392/-9/-
10.	Value of site	....	Rs. 892/3/-
	Furniture	.....	Rs.331/-
	Building	.....	Rs.5879/-
	Machinary	.....	Rs.5929/8/-.
	Stock on hand	.....	Rs.55/-.
11.	Income during the year 1937-38:		
	1) Oil milling	.....	Rs.393/6/- 935 md
	2) Crushing sugar cane	.....	Rs.2296/8. 24897ti
	3. Hulling paddy	.....	Rs.2111/5/-10551mu
			Rs.4801/3/-
12.	Working expenses in the year 1937-38	.....	Rs.3048/13/-
13.	Gross profit	.....	Rs.1750/-
14	Establishment & Contigencies	.....	Rs896/2/-
15.	Net loss (accumulated)	.....	Rs.8019/-
16.	Last year's loss (accumulated).	.....	Rs.8091/-

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5

Statement of wo

	Business done			Income							
	Paddy Hulled Rice in Bunas	oil extracted in tins =	Sugarcane juice extracted in Tins	Paddy Hulling hire		oil milling Rire		Sugarcane crushing Hire		oth in	
25-26	-	-	-	-	-	-	-	-	-		
26-27	-	-	-	-	-	-	-	-	-		
27-28	-	-	16049	-	-	-	-	1468	2		
28-29	-	80	21075	-	-	59	9	2800	12		
29-30	-	1200	19224	-	-	801	-	2749	7		
30-31	-	-	27882	-	-	-	-	3054	8		
31-32	-	-	9475	-	-	-	-	1035	8		
32-33	-	-	12162	-	-	-	-	1448	11		
33-34	341	92	17396	39	4	17	-	1501	-		
34-35	689	393	27375	110	7	205	15	2677	9		
35-36	4861	232	30256	801	10	90	7	2752	1		
36-37	8001	300	34604	1298	1	118	12	3003	-		
37-38	10557	935	24897	2111	12	393	6	2296	8		
38-39	5549	77	10827	1061	10	52	14	951	1		

Lh 10-2-39

done by the Society since its inception up to date.

	Expenditure						Gross		Net		Liabilities							
	Running Expenses		Establishment + Contributions		Depreciation		Profit		Loss or Profit		Central Bank Loans		Deficits		Share Capital		Remarks:
1	1673	-	136	-	-	-	773	-	+ 714	11	-	-	—	-	1694	-	During the years 25-26 + 26-27, the Society had no factory of its own. But it was doing its work through other factories and hence no figures are available
5	—	-	48	-	40	-	601	-	+ 60	1	—	-	—	-	3129	-	
14	1152	-	335	-	30	-	811	10	+ 223	6	—	-	5050	-	6497	-	
1	2268	-	301	-	340	-	426	4	- 880	2	914	10	6050	-	6778	-	
	1824	-	598	-	1008	-	1117	9	- 1212	2	914	10	5050	-	8986	-	
	2207	-	480	-	980	-	1203	6	- 1846	13	914	10	4500	-	9664	-	
	943	-	271	-	893	-	38	12	- 3583	9	914	10	4475	-	10.079	-	
	1135	-	429	-	818	-	336	1	- 4814	9	914	10	4885	-	10.072	-	
	1097	-	391	-	833	-	722	13	- 6302	10	6196	13	1775	-	11.329	-	
	1852	-	330	-	982	-	1100	6	- 7018	3	8111	15	715	-	11.884	-	
	2276	-	231	-	966	-	1276	7	- 7453	4	8290	1	716	-	11956	-	
	956	-	397	-	1158	-	1407	12	- 8091	13	8486	15	15	-	12010	-	
	948	13	896	-	850	-	1750	-	- 8019	-	7698	-	15	-	12010	-	
	193	-	367	-	—		—		—		7898	-	15	-	6005	-	